

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.  
NEIDORFF, and JEFFREY A.  
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF  
(A) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF  
SETTLEMENT AND PLAN OF ALLOCATION AND (B) LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

Dated: October 19, 2020

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Lead Plaintiff Louisiana Sheriffs' Pension & Relief Fund, on behalf of itself and the Settlement Class, and Lead Counsel respectfully submit this reply brief in further support of (i) Lead Plaintiff's motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation, and (ii) Lead Counsel's motion for an award of attorneys' fees and litigation expenses.<sup>1</sup>

### **INTRODUCTION**

The proposed Settlement resolves this litigation in exchange for a cash payment of \$7,500,000. As detailed in Lead Plaintiff's and Lead Counsel's opening papers (ECF Nos. 123-127), the proposed Settlement is the product of extended arm's-length settlement negotiations between experienced counsel, including mediation with an experienced mediator. Lead Plaintiff and Lead Counsel believe that the Settlement is an excellent result for the Settlement Class in light of the Settlement amount; the many risks that Lead Plaintiff faced in proving that Defendants made false statements with scienter, and in establishing loss causation and damages; and the costs and delays of continued litigation. The Settlement will be distributed fairly to Settlement Class Members under the proposed Plan of Allocation. Finally, the requested attorneys' fees of 25% of the Settlement Fund are well within the range of fees awarded in comparable cases and are reasonable in light of the recovery obtained for the Settlement Class, the substantial risks that counsel faced, and the time and resources that counsel devoted to the litigation.

Pursuant to the Court's Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 122) (the "Preliminary Approval Order"), the Claims Administrator, under the supervision of Lead Counsel, has conducted an extensive notice

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<sup>1</sup> Unless otherwise defined in this memorandum, all capitalized terms have the meanings defined in the Stipulation and Agreement of Settlement, dated March 5, 2020 (ECF No. 116-1) (the "Stipulation").

program, including mailing notice of the Settlement to potential Settlement Class Members and nominees. The Claims Administrator has received approximately 32,913 claims, including 31,747 claims that were filed electronically and approximately 1,166 claims that were submitted by mail.

In response to this notice program, no Settlement Class Member has objected to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and expenses. In addition, only four requests for exclusion have been received, and those requests represented only 98 shares or 0.0007% of the total shares of Centene common stock at issue. As explained below, this reaction of the Settlement Class further demonstrates that the proposed Settlement, the Plan of Allocation, and the request for attorneys' fees and expenses are fair and reasonable.

### **ARGUMENT**

In its opening brief, Lead Plaintiff demonstrated that approval of the settlement is warranted. The reaction of the Settlement Class, including the lack of any objections by Settlement Class Members, now provides additional support.

#### **I. THE ROBUST NOTICE PROGRAM**

Pursuant to the Preliminary Approval Order, the Claims Administrator, JND Legal Administration ("JND") conducted an extensive notice program under Lead Counsel's supervision, which included mailing the Notice and Claim Form (together, the "Notice Packet"), publishing the Summary Notice in *Investor's Business Daily* and over *BusinessWire* and *PR Newswire*, and establishing a settlement website, [CenteneSecuritiesLitigation.com](http://CenteneSecuritiesLitigation.com), which provides copies of the Notice, Claim Form and other information and documents.

JND began mailing the Notice Packet to potential Settlement Class Members on July 14, 2020. *See* Segura Decl. (ECF No. 127-4), at ¶¶ 3-6. The Notice informed Settlement Class Members of the terms of the proposed Settlement and Plan of Allocation, and that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement

Fund and for Litigation Expenses not to exceed \$200,000. *See* Notice ¶¶ 5, 68. The Notice also advised Settlement Class Members of their right to object to the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and expenses, or to request exclusion from the Settlement Class, and the October 5, 2020 deadline for doing so. *See id.* at p. 4 and ¶¶ 69-82. In addition, the opening papers in support of the motions were made available on both the settlement website and Lead Counsel's website, as well as the public docket. *See* Supplemental Declaration of Luiggy Segura Regarding: (A) Mailing of the Notice and Claim Form and (B) Report on Requests for Exclusion Received ("Supp. Segura Decl."), filed herewith, at ¶ 4.

As noted above, following this notice program, not a single Settlement Class Member has objected to the Settlement, Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses. In addition, just four requests for exclusion from the Settlement Class have been received—all from individuals and none from institutional investors. *See* Supp. Segura Decl. ¶ 7 & Exs. 1-5. The four requests for exclusion received represent just 0.005% of the total number of Notices mailed to potential Settlement Class Members—a miniscule portion of the class. Moreover, the three requests for exclusion that identify the number of Centene shares purchased by the opt-outs during the Class Period aggregate to only 98 shares—0.0007% of the shares Centene common stock that were allegedly damaged by Defendants' conduct.<sup>2</sup> In the letters submitted requesting exclusion, none of the individuals requesting exclusion criticized or took any issue with any aspect of the proposed Settlement, the Plan of Allocation, or the requested fees and expenses.

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<sup>2</sup> The fourth request for exclusion, submitted by Carlos Alberto Rodrigues Alves and Sylvia De Lourdes Rodrigues Alves (Supp. Segura Decl. Ex. 4), did not provide information on the individuals' transactions in Centene common stock as required by the Notice. *See* Notice ¶ 69. JND sent a letter to Mr. and Mrs. Rodrigues Alves requesting that they provide that information, but no response to the letter has been received to date.

## II. THE REACTION OF THE SETTLEMENT CLASS SUPPORTS APPROVAL OF THE SETTLEMENT AND PLAN OF ALLOCATION AND THE MOTION FOR ATTORNEYS' FEES AND EXPENSES

As set forth in Lead Plaintiff's opening papers, district courts within the Eighth Circuit consider the "amount of opposition to the settlement" in connection with approval of a proposed class action settlement. See *In re Wireless Tel. Fed. Cost Recovery Fees Litig.*, 396 F.3d 922, 932 (8th Cir. 2005). The absence of any objections (or even a small number of objections) to a proposed class action settlement is strong evidence that the settlement is fair and reasonable. See *DeBoer v. Mellon Mortg., Co.*, 64 F.3d 1171, 1178 (8th Cir. 1995) ("The fact that only a handful of class members objected to the settlement similarly weighs in its favor.") (citation omitted); *Rawa v. Monsanto Co.*, 2018 WL 2389040, at \*7 (E.D. Mo. May 25, 2018), *aff'd*, 934 F.3d 862 (8th Cir. 2019) (the fact that only one objection to the settlement was received "weighs in favor of approval"); *McClean v. Health Sys., Inc.*, 2015 WL 12426091, at \*6 (W.D. Mo. June 1, 2015) (where no class member objected to the settlement, this "lack of opposition clearly supports approval").

Moreover, it is significant that no institutional investors—which held the majority of Centene's publicly traded common stock during the Class Period—have objected to the Settlement. The absence of objections from institutional investors, which have ample means and incentive to object to the Settlement if they deemed it unsatisfactory, is further evidence of the Settlement's fairness. See, e.g., *In re Facebook, Inc. IPO Sec. & Derivative Litig.*, 343 F. Supp. 3d 394, 410 (S.D.N.Y. 2018) ("That not one sophisticated institutional investor objected to the Proposed Settlement is indicia of its fairness."); *In re Cathode Ray Tube (CRT) Antitrust Litig.*, 2017 WL 2481782, at \*4 (N.D. Cal. June 8, 2017) (absence of any objections from institutions means that "the inference that the class approves of the settlement is even stronger"); *In re Charter Commc'ns, Inc., Sec. Litig.*, 2005 WL 4045741, at \*8 (E.D. Mo. June 30, 2005) (in evaluating the

reaction of the class, the court should consider “the absence of objections from other large institutional investors who purchased Charter stock during the Class Period”).

The lack of objections from Settlement Class Members also supports approval of the Plan of Allocation. *See, e.g., In re Heritage Bond Litig.*, 2005 WL 1594403, at \*11 (C.D. June 10, 2005) (“The fact that there has been no objection to this plan of allocation favors approval of the Settlement.”); *Patel v. Axesstel, Inc.*, 2015 WL 6458073, at \*7 (S.D. Cal. Oct. 23, 2015) (approving plan of allocation where it “was laid out in detail in the notice, and no class members objected”); *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115809, at \*14 (S.D.N.Y. Nov. 7, 2007) (“not one class member has objected to the Plan of Allocation which was fully explained in the Notice of Settlement sent to all Class Members. This favorable reaction of the Class supports approval of the Plan of Allocation.”).

Likewise, the absence of any objections to Lead Counsel’s motion for attorneys’ fees and expenses supports a finding that the fee and expense reimbursement request is fair and reasonable. *See, e.g., Beaver Cty. Employees’ Ret. Fund v. Tile Shop Holdings, Inc.*, 2017 WL 2588950, at \*3 (D. Minn. June 14, 2017) (“Not a single Class Member has objected to Class Counsel’s motion for attorneys’ fees and expenses . . . . The lack of objections is strong evidence that the requested amount of fees and expenses is reasonable.”); *Barfield v. Sho-Me Power Elec. Co-op.*, 2015 WL 3460346, at \*5 (W.D. Mo. June 1, 2015) (“The absence of timely objections by . . . Class Members to Class Counsel’s fee-and-expense request further supports finding it reasonable.”); *9-M Corp. v. Sprint Commc’ns Co. L.P.*, 2012 WL 5495905, at \*3 (D. Minn. Nov. 12, 2012) (“The absence of objections or disapproval by class members to Settlement Class Counsel’s fee-and-expense request further supports finding it reasonable.”).



### III. CLAIMS RECEIVED

The Notice informed potential members of the Settlement Class that if they wished to participate in the Settlement they must submit a Claim Form to JND, with supporting documentation, postmarked or received by October 13, 2020. *See* Notice at p. 3 and ¶¶ 37, 44; Claim Form at pp. 1, 10. While JND's processing of claims is still ongoing, the initial analysis of claims received reveals a very high level of participation by members of the Settlement Class.

As of October 15, 2020, JND has received approximately 32,913 claims, including 31,747 claims that were filed electronically and approximately 1,166 claims that were submitted by mail. *See* Supp. Segura Decl. ¶¶ 5-6. The claims that JND reviewed and processed as of October 15, 2020, but before the completion of its quality control processes, represented a total of approximately 14,454,149 damaged shares. *Id.* ¶ 6. JND will be processing additional claims and conducting a review of claims received for deficiencies, providing claimants with an opportunity to correct any deficiencies, conducting thorough quality control and quality assurance processes, and performing fraud prevention reviews as part of its normal claims processing procedures in order to ensure the validity and accuracy of claims. *Id.*

The number of claims received, when compared to the total number of Notice Packets mailed to potential Settlement Class Members in this case—41% of the total notice packets mailed—is above most securities class actions and is consistent with a robust level of investor participation. *See, e.g.,* Supp. Segura Decl. ¶ 5; *Larkin v. GoPro, Inc.*, No. 4:16-CV-00654-CW, Post-Distribution Accounting (N.D. Cal. July 29, 2020), ECF No. 145-1 (claim forms received were 7.5% of notices mailed); *In re Yahoo! Inc. Securities Litigation*, Lead Case No. 17-CV-00373-LHK Post-Distribution Accounting (N.D. Cal. Apr. 17, 2020), ECF No. 131 (claim forms received were 18% of notices mailed); *In re RH, Inc. Sec. Litig.*, Case No. 4:17-00554-YGR, Post-Distribution Accounting (N.D. Cal. Apr. 7, 2020), ECF No. 160 (claim forms received were 18%

of notices mailed).

Moreover, comparing the number of claims received to the aggregate number of notices mailed tends to substantially understate the true claim filing rate. This is because the process for disseminating the notice by mail to potential Settlement Class Members is designed to reach the maximum number of potential Settlement Class Members who can reasonably be identified, and typically results in the mailing of Notice Packets to a substantial number of persons and entities who are not Settlement Class Members, such as nominees who are not themselves beneficial owners or persons who only held but did not purchase the security during the Class Period. The process also results in the mailing of notices to substantial numbers of persons who, even if they had Class Period purchases, are not eligible for payment in the Settlement—most notably, those investors who purchased and sold their shares before the end of the Class Period, when the corrective disclosure occurred, and were thus not affected by the alleged fraud.

### **CONCLUSION**

For the foregoing reasons and the reasons set forth in their opening papers, Lead Plaintiff and Lead Counsel respectfully request that the Court approve the Settlement and the Plan of Allocation, and approve the motion for attorneys' fees and litigation expenses. The proposed Judgment approving the Settlement and proposed Orders approving the Plan of Allocation and awarding attorneys' fees and expenses are attached hereto as Exhibits A, B, and C, respectively.

Dated: October 19, 2020

Respectfully submitted,

*/s/ Michael J. Flannery*

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# **Exhibit A**

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

ISRAEL SANCHEZ, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.  
NEIDORFF, and JEFFREY A.  
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**JUDGMENT APPROVING CLASS ACTION SETTLEMENT  
AND ORDER OF DISMISSAL**

WHEREAS, a securities action is pending in this Court entitled *Sanchez v. Centene Corp.*, Case No. 4:17-cv-00806-AGF (the “Action”);

WHEREAS, (a) Lead Plaintiff Louisiana Sheriffs’ Pension & Relief Fund (“Lead Plaintiff”), on behalf of itself and the Settlement Class (defined below), and (b) defendant Centene Corporation (“Centene” or the “Company”) and defendants Michael F. Neidorff and Jeffrey A. Schwaneke (collectively, the “Individual Defendants,” and, together with Centene, “Defendants”) have entered into a Stipulation and Agreement of Settlement dated March 5, 2020 (the “Stipulation”), that provides for a complete dismissal with prejudice of the claims asserted against Defendants in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated June 23, 2020 (the “Preliminary Approval Order”), this Court: (a) found, pursuant to Rule 23(e)(1)(B), that it (i) would likely be able to approve the Settlement as fair, reasonable, and adequate under Rule 23(e)(2) and (ii) would likely be able to certify the Settlement Class for purposes of the Settlement; (b) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (c) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (d) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class, and no objections to any aspect of the Settlement have been submitted;

WHEREAS, the Court conducted a hearing on October 26, 2020 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable, and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on March 12, 2020; and (b) the Notice and the Summary Notice, both of which were filed with the Court on March 12, 2020.

3. **Class Certification for Settlement Purposes** – The Court hereby certifies, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class consisting of all persons and entities who purchased the common stock of Centene during the period from May 24, 2016 through July 25, 2016, inclusive (the “Class Period”) and who were damaged thereby (the “Settlement Class”). Excluded from the Settlement Class are (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any person who was an Officer or director of Centene; (iv) any firm or entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged; (vi) Defendants’ liability insurance carriers; (vii) any affiliates, parents, or subsidiaries of Centene; (viii) all Centene plans that are covered by ERISA; and (ix) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded person or entity, in their respective capacity as such. Also excluded from the Settlement Class are the persons and entities listed on Exhibit 1 hereto who or which are excluded from the Settlement Class pursuant to a properly submitted request.

4. **Settlement Class Findings** – For purposes of the Settlement only, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of Lead Plaintiff in the Action are typical of the claims of the Settlement Class; (d) Lead

Plaintiff and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the claims on the Settlement Class in the Action.

5. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby appoints Lead Plaintiff as Class Representative for the Settlement Class, and appoints Lead Counsel Bernstein Litowitz Berger & Grossmann LLP as Class Counsel for the Settlement Class. Lead Plaintiff and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Action and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

6. **Notice** – The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other



applicable law and rules. No Settlement Class Member is relieved from the terms of the Settlement, including the Releases provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. A full opportunity has been offered to the Settlement Class Members to object to the proposed Settlement and to participate in the hearing thereon. The Court further finds that the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.*, were fully discharged and that the statutory waiting period has elapsed. Thus, the Court hereby determines that all Settlement Class Members are bound by this Judgment, except those persons and entities listed on Exhibit 1 to this Judgment who properly submitted a request for exclusion.

7. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23(e)(2) of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation, the amount of the Settlement, the Releases provided for therein, and the dismissal with prejudice of the claims asserted against Defendants in the Action), and finds that the Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class. Specifically, the Court finds that (a) Lead Plaintiff and Lead Counsel have adequately represented the Settlement Class; (b) the Settlement was negotiated by the Parties at arm's length; (c) the relief provided for the Settlement Class under the Settlement is adequate taking into account the costs, risks, and delay of trial and appeal, the proposed means of distributing the Settlement Fund to the Settlement Class; and the proposed attorneys' fee award; and (d) the Settlement treats members of the Settlement Class equitably relative to each other. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

8. The Action and all of the claims asserted against Defendants in the Action by Lead Plaintiff and the other Settlement Class Members are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

9. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiff, and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. The persons and entities listed on Exhibit 1 hereto who properly submitted a request for exclusion are excluded from the Settlement Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

10. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against Defendants and all of the Defendants' Releasees, and shall forever be barred and enjoined from bringing, asserting, or prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

(b) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim against Lead Plaintiff and all of the Plaintiffs' Releasees, and shall forever be barred and enjoined from bringing, asserting, or prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees. This Release shall not apply to any person or entity listed on Exhibit 1 hereto who properly submitted a request for exclusion.

11. Notwithstanding paragraphs 10(a) – (b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

12. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Action.

13. **No Admissions** – Neither this Judgment, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiff or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial;

*provided, however*, that the Parties and the Releasees and their respective counsel may refer to and rely on this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement, including but not limited to by filing the Stipulation and/or this Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

14. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the administration, interpretation, implementation, and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or Litigation Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement Class Members for all matters relating to the Action.

15. Separate orders shall be entered regarding approval of a Plan of Allocation and the motion of Lead Counsel for attorneys’ fees and Litigation Expenses. Such orders, or any appeal from any order relating thereto or reversal or modification thereof, shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

16. **Modification of the Agreement of Settlement** – Without further approval from the Court, Lead Plaintiff and Defendants are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further

order of the Court, Lead Plaintiff and Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlement.

17. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiff, the other Settlement Class Members, and Defendants, and the Parties shall revert to their respective positions in the Action immediately prior to the execution of the Stipulation.

18. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Action.

19. The Court’s orders entered during this Action relating to the confidentiality of information shall survive this Settlement.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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The Honorable Audrey G. Fleissig  
United States District Judge

## Exhibit 1

### Persons who Requested Exclusion from the Settlement Class

1. Jodie Holloway Gutsell  
Mandeville, LA
  
2. James G. Cauble IRA  
Hayward, CA
  
3. Peter Purcell  
Weldon Spring, MO
  
4. Carlos Alberto Rodrigues Alves and  
Sylvia De Lourdes Rodrigues Alves  
São Paulo, BRAZIL<sup>1</sup>

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<sup>1</sup> Mr. and Mrs. Rodrigues Alves did not submit a request for exclusion from the Settlement Class in accordance with the requirements of the Notice approved by the Court. Their exclusion request did not include any information about their transactions in Centene common stock, despite such information being required by the Notice approved by the Court. At the direction of Lead Counsel, the Claims Administrator sent a letter to Mr. and Mrs. Rodrigues Alves requesting that they provide this information, but no response has been received to date.

# **Exhibit B**



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.  
NEIDORFF, and JEFFREY A.  
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**[PROPOSED] ORDER APPROVING  
PLAN OF ALLOCATION OF NET SETTLEMENT FUND**

This matter came on for hearing on October 26, 2020 (the “Settlement Hearing”) on Lead Plaintiff’s motion to determine whether the proposed plan of allocation of the Net Settlement Fund (“Plan of Allocation”) created by the Settlement achieved in the above-captioned class action (the “Action”) should be approved. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who or which could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *Investor’s Business Daily* and released over *BusinessWire* and *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the proposed Plan of Allocation,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order approving the proposed Plan of Allocation incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated March 5, 2020 (ECF No. 116-1) (the “Stipulation”) and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order approving the proposed Plan of Allocation, and over the subject matter of the Action and all Parties to the Action, including all Settlement Class Members.

3. Notice of Lead Plaintiff’s motion for approval of the proposed Plan of Allocation was given to all Settlement Class Members who or which could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for approval of the proposed Plan of Allocation satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-4), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. No objections to the Plan of Allocation have been received.

5. The Court hereby finds and concludes that the formula for the calculation of the claims of Claimants as set forth in the Plan of Allocation mailed to Settlement Class Members provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund among Settlement Class Members with due consideration having been given to administrative convenience and necessity.

6. The Court hereby finds and concludes that the Plan of Allocation is, in all respects, fair and reasonable to the Settlement Class. Accordingly, the Court hereby approves the Plan of Allocation proposed by Lead Plaintiff.

7. Any appeal or any challenge affecting this Court's approval of the Plan of Allocation shall in no way disturb or affect the finality of the Judgment.

8. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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The Honorable Audrey G. Fleissig  
United States District Judge

#1415052

# **Exhibit C**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

ISRAEL SANCHEZ, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

CENTENE CORP., MICHAEL F.  
NEIDORFF, and JEFFREY A.  
SCHWANEKE,

Defendants.

Case No. 4:17-cv-00806-AGF

**[PROPOSED] ORDER AWARDING  
ATTORNEYS' FEES AND LITIGATION EXPENSES**

This matter came on for hearing on October 26, 2020 (the "Settlement Hearing") on Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who or which could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *Investor's Business Daily* and released over *BusinessWire* and *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and Litigation Expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated March 5, 2020 (ECF No. 116-1) (the "Stipulation") and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all Parties to the Action, including all Settlement Class Members.

3. Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of \_\_\_\_% of the Settlement Fund, and \$ \_\_\_\_\_ in payment of Lead Counsel's litigation expenses (which fees and expenses shall be paid from the Settlement Fund), which sums the Court finds to be fair and reasonable. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

4. In making this award of attorneys' fees and payment of expenses from the Settlement Fund, the Court has considered and found that:

(a) The Settlement has created a fund of \$7,500,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Plaintiffs' Counsel;

(b) The requested fee has been reviewed and approved as reasonable by Lead Plaintiff, a sophisticated institutional investor that actively supervised the Action;

(c) No objections to the requested attorneys' fees and Litigation Expenses were received;

(d) Plaintiffs' Counsel conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy;

(e) The Action raised a number of complex issues;

(f) Had Plaintiffs' Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiff and the other members of the Settlement Class may have recovered less or nothing from Defendants;

(g) Plaintiffs' Counsel devoted over 2,700 hours, with a lodestar value of over \$1,555,000, to achieve the Settlement; and

(h) The amount of attorneys' fees awarded and expenses to be paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

5. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

6. Exclusive jurisdiction is hereby retained over the Parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order.

7. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

8. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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The Honorable Audrey G. Fleissig  
United States District Judge

#1415054